File No. 737

1936.

Collection No.

Mysore Residency

Bangalore.

31

10

8/7/47

Pros. Serial Nos. 1=6

Subject.

Report on the audit of the account of the Official receiver ex mansion, Bangalore.

Previous References.	Later References.
X No. 890 of 1934 Desbys 264 of 1914. 192 of 1908.	R. Dis 110/29. "A" 10/12/45 29/12

NOTES AND PRECIS.

P.u.e
Cor p.1

Dy.No. 2229 S.N. 1

1 As noted by the District Judge in para 2 of his letter, the Official Receiver may be instructed to carry out the suggestions contained in para III of the audit report, and a period of three years fixed for the destruction of old vouchers, and also the suggestions made in para V of that report.

2 The question of the Official Receiver's establishment and contingencies may be examined next. This rather anomalous arrangement of maintaining an establishment from out of the proceeds of deposits held for the benefi of and in trust for a body of creditors of adjudged insolvents was introduced on grounds of economy and to releive Government of the cost of office expenses, audit and banking.

3 The subject calls for a historical resume. The Provincial Insolvency Act was extended to the Station on the 25th August 1908. Until 1914, officials of the District Court used to be appointed Receivers in cases in which the debtors showed any realizable assets in their schedule. Subsequently, on the recommendation of the District Judge that a full time official was necessary for the Station, in view of the steady increase in the number of insolvency petitions, an Official Receiver was duly appointed on the 25th September 1914. For some time he was allowed stationery and contingencies from the District Court, and a process server of that Court was deputed 3 days in a week to attend to the clerical work of his office. This arrangement was soon found to be unsatisfactory, and the increasing work in his office necessitated the employment of a whole time clerk. For meeting the expenses of this Clerk and office contingencies, the District Judge,-of his own accord and on his

own

× S.N.1 Cor.p.1 (S) F.264-1914

×× S.N.2. Cor p.22 (S) F.264-1914

§ Please see para 4 of S.N.3 Cor p.23 (S) F.264-1914

own responsibility-allowed the Official Receiver in February 1918 a sum of ₨.15/- a month from out of the interest of the funds of the several insolvent estates deposited in the Mysore Government Savings Bank in the name of the District Judge. This allowance was raised to ₨.30/- a month in June 1920. The intermediate stages of the progressive enhancement of the allowance by the District Judge are not traceable, until the figure reached ₨.70/-. On the report of the audit officer that the approval of the Resident may be obtained to the monthly limit of expenditure, a statement showing the average monthly expenditure for the preceding 3 years was called for, and on the basis of the figures furnished, sanction was accorded to the incurring of an expenditure not exceeding ₨.70/- per mensem. Subsequently in modification of this order, sanction was accorded to the incurring of an expenditure not exceeding ₨.840/- per annum.

"V"
* S.N.48
Cor. p.39
F.264-1914

= S.N.52.

** S.N.54
Cor p.49 do-

"D"
§ S.N.76
Cor. p.29 (at page 29)
F.264-1914

4

The question of the necessity or desirability of the cost of the Official Receiver's establishment being met by the Government and not from the interest accruing on the moneys in his hands was raised once before, and on the recommendation of the District Judge, the existing arrangement was allowed to continue.

Please see S.N.18 at page 36. and S.N.20 at page 39 of F.264-1914 (T)

5

The arrangement does appear to be quite irregular and improper on principle. An account of the system that obtains in the Madras Presidency is contained in a letter from the Accountant General, copy of which has been enclosed by the District Judge. But the question is whether the situation calls for an emergent reform and a consequent financial burden on the Government. The system has worked for upwards of 15 years, and the

⊖ Cor. pp. 6 and 7
Encl. to S.N.1
(P.W.C)

District Judge does not profess to say(~~xxxxx~~) that a collapse is imminent. When the larger question of the retrocession of the Station to the Darbar is under scrutiny, it appears minor questions like this may well be deferred for the present in view of a possible reconstruction of the entire system. For orders whether the District Judge may be informed that the existing arrangements shall continue for the present, or the file should be sent to the budget section for examination.

A.S.Rao.
8.7.1936.

(from para 1)

Secretary.

6. I assume that in places where the charges of the Official Receiver's office establishment etc. are met by Govt., all moneys in the hands of the Official Receiver must be deposited in the Govt. Treasury, and that is no question of interest accruing on any of these deposits. I assume also that the same rules would have to be followed here as in the R.A.T. schemes now in accept liability for payment of the office establishment charges etc. Please

receipts.

7. Are there any statutory instructions governing the duties and responsibilities of Official Receivers? If so, I should like to see them.

8. Have we any information regarding the procedure in other places — say Scunthorpe or Truro?

9. It does not appear from the Audit report that the Audit Office has raised any objection to the existing practice. It seems that the question has been raised by Dist. Judge himself. Is this so?

10. Does the Official Receiver's office provide full time work for a clerk or a person? I should doubt it very much. If not (i.e. the T.A.T. receivers) must accept the responsibility, could the work not

To be done by staff of the Dist. Judge's Court or of the Registrar of Assurances & Companies?

Vore
10.7.36

11 (Not put up)

Under
Para 6 ante:- /Rule III of the Appendix to the Treasury Orders (appendix 8C. to the Civil Account Code, Volume I) moneys realised by the Official Receiver should be lodged with the Imperial Bank of India. In Madras, moneys coming into the hands of the Official Receiver are deposited in the Imperial Bank in current account, and there is no question of interest accruing thereon. Sanction was accorded by the Resident in 1925 for the investment of a portion of the funds in fixed deposit and the balance in current account, with a view that the establishment and contingent charges of the Official Receiver might be met from the interest. This arrangement would be rendered unnecessary if it is decided that the M.A.T. revenues were to accept liability for payment of the office establishment charges etc.

* S.N.19 Cor. p. 37 (T) F.264-1914

12 Act V of 1920

Para 7 ante:- Please see section 59 of the Provincial Insolvency Act, and Rules XVIII, XIX, XXVI, and XXVII of the Bangalore Insolvency Rules, 1923.

S.N.13 Cor. pp 9 et seq (R) 13 F 192-08

Para 8 ante:- No information, please.

14 (H) Ended in S.N. (Pac)

Para 9 ante:- The precise implication of para IV of the Audit Report is not quite clear, whether he raises the point by way of objection or just states the system obtaining in the Office. In any case, the system as referred to in para IV cannot lay itself open to an audit objection, because it has been introduced under the sanction of the Resident.(Please see Proceedings No.671

S S.N.19 Cor p. 37 (T) P.-Feb-1912

dated 13th August 1925)

15

Para 10 ante:- It appears doubtful whether the Official Receiver's office work can be performed by anybody but a whole time clerk. The District Judge's letter dated 8th September 1914 shows the statistics in respect of the Insolvency petitions that were being filed then. The following table discloses the present position:.

S.N.I / Cor.p-I / F 264-1914 (5)

Year	No.of petitions filed	No. of cases in which Official Receiver was appointed Receiver to realise the assets of Insolvents.
1932-33	180	90
1933-34	161	65
1934-35	168	83.

[From the respective Administration Reports].

It is for orders whether the District Judge may be officially asked on the subject

DsRao 20.7.1936

(from para 6)

16

Secretary.

Will Resident please see from para 2 onwards. I do not much like the present system, which is open to objection on many grounds; but it has worked without difficulty or open objection for nearly fifteen years. A change to the orthodox practice as followed in regulation provinces would entail extra cost to Government; and in view of the possibility of retrocession, I think we might let the present arrangement continue. The audit report merely states the practice which is in force. It does not raise any specific objection to it.

17. I agree.

12.8.36

Rd.

I.C. 16/8

(7)

P.u.c
Corp.9

Dy.No. 7400 S.N. 2

x S.N.1 (4) 18 The superscription to the letter from the District Judge shows that it is addressed to the Accountant-General, through the Secretary; but in the body it is said that it is forwarded for the orders of the Hon'ble the Resident. It is understood from the District Judge's Office that a separate copy of the letter and the Official Receiver's replies to the points raised in the audit report have not been sent to the Accountant General. The letter may be forwarded to the Accountant General, with the audit report. The orders of the local Government may be communicated to the District Judge after the Accountant-General makes his final remarks on the Official Receiver's replies. Please see para 1 of notes. The District Judge may be asked to instruct the Official Receiver to carry out the suggestions contained in the audit report after the receipt of the Accountant General's remarks.

18 19 The following endorsement may be made on the duplicate copy of the District Judge's letter:-

at the bottom of the file. Issued. 29/8.

"Forwarded to the Accountant-General, Madras.

for Secretary to the Resident."

A.S.Rao 27.8.1936

(from para 17)

Secretary.

28.8.36

A. 26.9.1936 20 14-10-1936 The final orders of the Local Government have not been communicated to the District Judge pending the receipt of the A.G's remarks. The Accountant-General may be asked to furnish his remarks on the audit report. Draft submitted.

A.S.Rao 15.XII.36

21 As amended. (from para 15)

A.S. Rao

16.XII.36

S.N.(3), issue

(8)

P.U.C
Ca p.15
22

Dy.No. 281 S.N. 4

Kind attention is invited to para 1 of notes.

* pages 9-12 23

The audit report on the accounts of the Official Receiver may now be examined.

o page 9

Paras I & II:- Do not call for any remarks.

Para III (a)&(b):- The Official Receiver may be instructed to carry out the suggestions contained therein.

δ page 9

(c):- In exercise of the powers conferred by the Rules published by the Government of India, the Hon'ble the Resident has framed rules for the "disposal of useless records." But they relate only to and are called "Rules for Civil Courts." The District Judge, however, has been periodocally sending for publication notice of destruction of account books etc. filed in the Office of the Official Receiver, and it has been the practice to take action thereon. But it appears to be open to doubt whether the District Judge is right in invoking the rules framed for "Civil Courts" in respect of useless records in Official Receiver's Office. The question, if approved, will be separately examined after the issue of the orders of the Hon'ble the Resident on the other points raised in the audit report.

θ page 820 of Macpherson - Enactment (Vol. VI)

** S.N. 2 Cor. p. 4 F 89-1934

(H)

Para IV:- The final orders of the Hon'ble the Resident on para 5 of the District Judge's letter that the present arrangements should continue may be communicated.

* S.N1 at p. 2

Paras V and VI:- The Official Receiver may be instructed to carry out the suggestions.

24

Draft is submitted for approval.

AsRao
26.1.'37.

(from para 22)

Secretary.

Core
28.1.37.

S. N. (5) issue.

25 The District Judge in para 2 of his letter proposes with reference to (c) of para III of the Audit Report that a period of three years may be fixed by the Local Government for the destruction of old vouchers by the Official Receiver. Please see (c) in para 23 of Notes. On further examination, the District Judge appears to be right in invoking the rules referred to therein for the destruction of useless records in Official Receiver's Office as well.

26 There is judicial authority for the position that the Official Receiver appointed by the Local Government under section 57 of the Insolvency Act is an officer of the Court: 46 M.L.J.242. For this reason papers etc. filed before the Official Receiver may presumably be deemed to be "---in the custody of the Civil Courts" within the ambit of the provisions of the Notification. If this view is accepted, it is not understood why the District Judge proposes that the Local Government should further fix a period of three years for the destruction of old vouchers in the custody of the Official Receiver. If account books, bill books, files of correspondence etc. filed before the Official Receiver can be destroyed under the provisions of the Notification, it is not known why old vouchers cannot be similarly destroyed under the same provisions. Papers etc. filed by parties before the Official Receiver appear to fall under Class 6 of Table 'B' of the Notification, and sub-head 3 (d) of Table 'C' prescribes retention for a period of 3 years, after which the records may be destroyed. The existing rules seem to include the case of old vouchers referred to by the District Judge, and there is no need to add to them in order to cover the case. If approved, this file may be sent u/o to the District Judge for favour of remarks as to the necessity or otherwise of amending the rules as proposed.

AsRao
10.3.37

Secretary.

(from para 25)

12.3.37

(10)

13/3/37

DISTRICT & SESSIONS COURT
13 MAR 1937
F534/37
CIVIL

The District Judge, C. & M. Station, Bangalore.

U/o. No. F.737/36, dated the 12th March 1937.

The reference in para III(3) of the Audit report is to the old vouchers (contingent vouchers) and not to any records in Insolvency cases in the custody of the Official Receiver. Account books, bill books, files of correspondence etc., file in Insolvency cases form part of the records in those cases and their destruction is hence governed by the rules laid down in the Notification No.24 dated 30-9-25 of the Hon'ble the Resident in Mysore, Though the Official Receiver is 'an officer of the court' still he is not "a court" even though he has been invested with certain quasi-judicial functions under Section 81 of the Provincial Insolvency Act. Much less is the local Official Receiver 'a court' since he has not been invested with any quasi-judicial powers under Section 81. It appears to me to be a moot point as to whether the Official Receiver of this Station can destroy the contingent vouchers of his office on the strength of the abovesaid Notification which obviously applies only to "Courts" as such. I would therefore suggest that the Official Receiver may be directed to destroy his contingent vouchers after the expiry of three years. A copy of the letter No.394 dated 5-4-1937 from the Official Receiver of the Station who was consulted by me on the subject is sent herewith for the information of the Secretary to the Hon'ble the Resident.

P. Madan

District & Sessions Judge.

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

U. O. No. 1702/37 · dated 15th April 1937.

JC 16/4

OFFICE OF THE RESIDENT IN MYSORE
BANGALORE
16 APR. 1937
No. 3850.
File. No.

(11)

OFFICE OF THE OFFICIAL RECEIVER,

District Court Buildings,

C. & M.Station, Bangalore, 5th April 1937.

From

Rao Sahib C.N.Surya Prakas, B.A., B.L.,
Official Receiver, C. & M. Station, Bangalore.

To

The District & Sessions Judge,
C. & M.Station, Bangalore.

Sir,

With reference to your letter No.D 1507 of 37 dated the 2nd instant, I have the honour to state that the Notification in question relates to Courts.

If instructions are given to me by you informing me that the vouchers need not be kept by me after a certain length of time, say three years in the case of contingency bills and vouchers as in the case of Civil Courts, I will have them destroyed.

I have the honour to be,
Sir,
Your most obedient servant,

Sd/- C.N.Surya Prakas.

Official Receiver.

"True Copy"

P. Madapa

District & Sessions Judge,
C. & M. Station, Bangalore.

Please see from para 25.

As both the District Judge and the Official Receiver are of the opinion that the latter's office cannot be considered as a Court and the contingent vouchers destroyed according to the rules framed under Notification No.24, dated the 30th September 1925, and the view may be accepted.

In 1926, the Audit Officer raised the question of the maintenance of vouchers for all payments of a contingent nature. The then District Judge, in his remarks on the Audit Officer's report, stated that vouchers should be maintained for all payments and that they should be preserved as in the case of the District Court, for a period of three years, and then destroyed. The Hon'ble the Resident accepted the District Judge's view and passed orders that vouchers may be maintained for all payments. He did not however pass any orders regarding the destruction of these vouchers as the question did not definitely arise at that time.

If approved, we may now accept the recommendation of the District Judge and fix the period for the preservation of contingent vouchers at three years.

Draft submitted for approval.

15/5/37.

mas
10.5.37

AsRao
11.5.1937

Secretary.

(From para 25)

S.N.(6). Issue.

Record

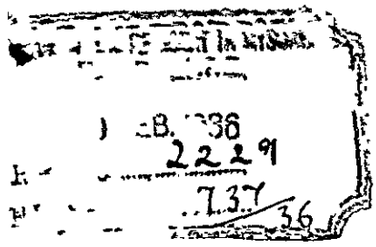
CORRESPONDENCE.

S. N. 1

1233—22-3-1929—4,000—RPB.

D. No. 857/36 Enclos. 3

District and Sessions Court,
Civil and Military Station,
Bangalore, dated 28th February, *19* 36



From

P. Medapa, Esq., B.A., B.L.,
DISTRICT AND SESSIONS JUDGE,
CIVIL AND MILITARY STATION,
BANGALORE.

To

The Accountant-General,
MADRAS.

Through
The Secretary to the
Hon'ble the Resident in Mysore,
BANGALORE.

Sir,

Subject:-Report on the audit of the account of the Official Receiver, Civil and Military Station, Bangalore.

I have the honour to forward herewith a copy of the report* of audit and inspection of the accounts of the Official Receiver, Civil and Military Station, Bangalore, for the year ended with 31st March, 1935 with a copy (in duplicate) of the letter** No.896 dated 7/8-11-1935 addressed to me by the Official Receiver, and with my remarks below for the orders of the Hon'ble the Resident.

* pp. 9 - 12 infra

** page 8 infra.

2. Contingent cash book (Para III of the audit report)§ The suggestions made in paragraphs III (a) and (b) of the audit report for the maintenance of the cash book may be carried out by the Official Receiver in future, and a period of three years may be fixed by the local Government for the destruction of old vouchers by the Official Receiver.

§ page 9 infra.

3. Contingent cash book (Para IV of the audit report)[<]: As the Official Receiver's Office is located in a portion of the District Court premises which is owned by Government (a suite of three rooms) for the past several years free of rent I do not think that any recovery or adjustment should be made in respect of this item now. I may also point

[<] page 10 infra.

2)

also point out that the District Judge may ask the Official Receiver to vacate the suite of rooms given to the latter whenever the former thinks that additional accommodation is required for his own Office. I also understand that the Official Receivers in the neighbouring districts of Salem and North Arcot have been given rent free accommodation for their Offices by the Government. As regards the forms prescribed under the Bangalore Insolvency Rules such as Assets Register, Dividend Register, etc., which may be required by the Official Receiver for his Office use, he may be supplied the necessary forms and registers by this Office as hitherto.

page 10 infra

4. Inventory Register (Para V of the audit report):- I agree with the views of the Audit Officer that a separate Inventory Register should be maintained by the Official Receiver and that each new entry in the Register should be attested by the Official Receiver.

5. Official Receiver's Office establishment and contingencies:- I have to bring to the notice of the Hon'ble the Resident that in the neighbouring Madras Presidency, contingencies of the Official Receiver's Offices and pay of the establishment are met from provincial funds and that appointments to the posts in the Official Receiver's Offices are made by District Judges. But in this Station, the expenditure on establishment and contingencies of the Official Receiver is not met out of the provincial funds by Government but is met out of the interest realised on a portion of the Insolvents' moneys kept as a fixed deposit with the Imperial Bank of India, Bangalore. This latter procedure was approved of by the Hon'ble the Resident in his Proceedings No.6715 dated 13-8-1925 on the recommendation of the then District Judge made in the latter's letter No.303/I dated 10-2-1925, and a limit of Rs.70/- per mensem for expenditure on 'Contingencies' (including the pay of the establishment) by the Official Receiver, Civil and Military Station, Bangalore, was fixed by the Hon'ble the Resident in his Proceedings No.3347/264-1914 dated 12-4-1927. I regret I am unable to see eye to eye with Rao Bahadur B.Rama Rao, (the then District Judge of this Station) on this question. I do not think it is fair to the insolvents and the creditors that the present system of permitting the Official Receiver to invest a portion of their moneys in fixed deposits to enable him to meet his

* S.N.19 Cor.p.37 (T) F.264-1914.

'S.N.14 Cor.p.5 (T) F.264-1914

S.N.54 Cor.p.49 (L) F.264-1914

to meet his establishment and contingent charges should be allowed to continue any longer. The present system seems to be open to serious objections and may in the long run lead to unpleasant results.

The defects in the existing system are as follows:-

(a) A particular officer of Government handling public funds belonging to private persons is permitted to invest those funds as fixed deposits in order that he may earn interest to pay for his establishment and office contingencies, though in the eye of the law these funds in the hands of the Official Receiver are supposed to be actually available for disbursement to the creditors at any time. Such a policy is, I venture to submit, not in keeping with the dignity and prestige of the Government and is not conducive to inspire confidence in the resources of the Government.

(b) Since the Official Receiver knows definitly that he has to earn interest only on these deposits to pay for his office expenses the tendency will be to delay payments of dividends and to delay winding up of estates, and this tendency will exhibit itself rather acutely when sufficient funds are not available with him to meet his office expenses. Such a contingency when it does arise will affect seriously the position of the insolvents and their creditors, for which there can be no moral or legal justification whatsoever.

(c) There is bound to be a break down in the present system at any time when owing to the paucity of funds available for investments and the very low yield thereon, the interest earned is not sufficient to pay the Office expenses of the Official Receiver.

(d) At present there is no direction as to what should become of the balance of accumulated interest left in the hands of the Official Receiver after meeting his establishment charges and contingencies. It will be conceded that the Government cannot lay claim to the surplus of accumulated interest as the interest has been earned out of moneys belonging to several insolvents. Nor is it a practical proposition to think of distributing the said surplus as it is impossible to say after the lapse of a long interval who among the hundreds of

the hundreds of creditors in several cases where the accounts have been closed are entitled to receive this amount and in what proportion. Nor is there any rule which lays down the maximum extent up to which the Official Receiver is allowed to accumulate interest on his investments with a view to create a fund for meeting his office expenses. Again even in the matter of investment of funds in fixed deposits, there is no uniformity - and I fully realise that there can be no uniformity - as regards the percentage of the realised assets in each estate available for such investment, with the result that the burden of establishment charges of the Office of the Official Receiver is not evenly borne by all the insolvents' estates either from the point of view of the assets or the volume of work involved in each case. In view of these several anamolies in the existing system, it follows that the present practice cannot stand the several tests referred to above.

(e) It has also to be remembered that fixed deposits of insolvents' moneys with the Imperial Bank kept by the Official Receiver cannot be said to rank on the same footing as regards security and Governmental reponsibility as moneys kept by the Official Receiver in the Government Treasury.

(f) If the pay of the establishment of the Office of the Official Receiver is not met out of the provincial revenues, the members of the Official Receiver's establishment have no security of tenure of service and do not enjoy the security and privileges of Government servants such as leave, pension, etc., Such a state of affairs in the Official Receiver's establishment works a great hardship on them.

(g) Nor is it conducive to the interest and efficiency of public service that the establishment of the Official Receiver of this Station should not be under the administrative control of the Provincial Government but should be under the administrative control of the Official Receiver who is himself not a full time Government servant and is liable to be called upon by Government to vacate his Office at any time.

6. For the foregoing reasons I am strongly of opinion that the Madras system of the provincial funds meeting the expenditure on the establishment and contingencies of the Official Receiver should be introduced in this Station also. If the Hon'ble the Resident should agree with my above view on a question of principle, I would request that sanction may be accorded for the permanent creation of the following posts in the local Official Receiver's Office with effect from 1-3-1936, viz., a clerk on Rs.30-4/2-50 and a poen on Rs.15/- that an allotment of Rs.25/- under 'Contingencies' may be sanctioned for the Office of the Official Receiver for the year 1936-1937 and that provisions for the above items of expenditure during 1936-1937 may kindly be made in the budget by reappropriation or otherwise.

I have the honour to be,
Sir,
Your most obedient servant,

P. Nadarajan
District & Sessions Judge.

KCA.

(b

Copy of the letter No. O.A.2512 dated the 6th December, 1935 from the Accountant-General, Madras, (O.A.D.) addressed to the District & Sessions Judge, Civil and Military Station, Bangalore.

Subject:- Report on the audit of the accounts of the Official Receiver, Civil and Military Station, Bangalore, for the year ended 31st March, 1935 - paragraph 4.

Sir,

1. With reference to your letter No.D-5968 dated 21st November, 1935 on the subject indicated above, I have the honour to state that in the Madras Presidency, contingencies of the Official Receiver's Office and pay of the establishment are met from provincial funds. In some cases, a part time clerk nominated from the District Court establishment assists the Official Receiver in the discharge of their duties, while in others the services of a whole time clerk and peon are placed at the disposal of the Official Receivers. This additional establishment is sanctioned by Government, and their salaries are met out of provincial funds. The appointments to these posts are made by District Judges.

2. No limit on the expenditure on establishment and contingencies of the kind laid down in the Civil and Military Station, Bangalore, is placed in the Madras Presidency. But the powers of the Official Receivers of expenditure on establishment and contingencie are subject to the limitations of the rules in the various financial codes.

3. Official Receivers are generally appointed for a term of 3 years and they are remunerated as follows:-

4. A commission of 5 per cent. on gross collectons is allowed to them subject to the condition that if the commission exceeds Rs.125/- per mensem a deduction on the following scale be made from the excess:-

7)

the excess:-

When commission exceeds	Rs.125/-	but does not exceed	Rs.200/-,	20% on the excess.
"	Rs.200/-	"	Rs250/-	25% "
"	Rs.250/-	"	Rs.300	33⅓% "
"	Rs.300/-	"	Rs.400	40% "
"	Rs.400/-	"		50% "

Provided that the net commission shall in no case fall below what would be admissible had the gross monthly earnings been at the next lower figure mentioned in the statement.

Extracts from the following Government Orders are also furnished:-

(1) Paragraph 1 of G.O.No.Mis.3036 Law (Genl.) dated 18-12-1923,
(2) " 1 " 644 " 26- 2-1925,
(3) " 2 " 680 " 2- 3-1925,
(4) " 1 " 2221 " 8- 7-1926, &
(5) Article 140 of Madras Financial and Account Code, Volume I.

I have the honour to be,
Sir,
Your most obedient servant,

(Sd.) S. Srinivasan,

Examiner, O. A. D.

True Copy,

S. Ramachandran

Registrar,
District & Sessions Court,
C. & M. Station, Bangalore.

Copy of the letter No.896 dated the 7th/8th November, 1935 from the Official Receiver, Civil and Military Station, Bangalore, addressed to the District & Sessions Judge, Civil and Military Station, Bangalore.

Sir,

With reference to your letter No.5636 dated the 4th instant, I have the honour to return herewith the audit notes with my remarks thereon and to state that the sum of Rs.208/8/4 being the audit fee due to Government has been sent to the Treasury Officer to-day.

I have the honour to be,
Sir,
Your most obedient servant,
(Sd.) C. N. Surya Prakas.
Official Receiver.

True Copy,
S. Ramaprabhudaram.
Registrar,
District & Sessions Court,
Civil and Military Station,
Bangalore.

Audit report on the accounts of the Official Receiver, Bangalore, for the year ending 31-3-1935.

Official Receiver's reply.

I. Charge of office.

During the period covered by audit, the Office of the Official Receiver was held by M.R.Ry.Rao Sahib C.N. Surya Prakas Avl., B.A.,B.L.,

II. Audit Fee.

A sum of Rs 208-8-4 (Rupees Two Hundred and eight and annas eight and pies four only) is due to Government as the audit fee. This amount may kindly be remitted into the Treasury to the credit of "XXXV-Miscellaneous-Central-fees for Government Audit"

III. Contingent Cash book.

(a) vouchers should be numbered and cancelled after payment.

(b) Each entry in the cash book should be initialled by the Official Receiver.

(c) old vouchers are kept in record and they may be destroyed after a certain prescribed period fixed by competent authority.

(a) There are very few entries and vouchers. No practical purpose is served. Each of the vouchers is initialled by me and the cash book signed once a month after checking.

(b) This suggestin means extra labour without extra advantage.

10

IV. Contingent Cash book.

The cost of cash book, ledger, stationery and furniture -- purchased during the year is -- charged against the annual allotment of Rs 840/- sanctioned in the Hon'ble the Resident's proceedings No.12498/264-1914 dated 12th December 1927. Similarily, audit fee, commission, establishment charges etc., are charged to the revenue from the estate funds. No recovery or adjustment is made for the following items.

1. The cost of forms such as Nos.10 and 11--Asset Registers, Dividend Registers supplied by the Government Press for the use of the Official Receiver's Office and

2. The rent of building (owned by Government) occupied by the Official Receiver's Office.

Orders of the Hon'ble the Resident in support of items 1 and 2 may be quoted.

Official Receiver's reply.

The annual allotment comes from a separate source and as a consequence of measures adopted without detriment to estate funds. The establishment is paid from this source and the contingencies are also met therefrom.

The audit fee and commission are charged to the estate funds and not to the revenue therefrom.

The statementsmade are incorrect.

I am not in possession of the orders.

V. Inventroy Register.

No seperate inventory register is being maintained. The last few

pages of the contingent register have been utilised to make a note of articles in use.

It is suggested than an inventory be therefore kept separately and each new entry in the register may also be attested by the Official Receiver at the time of purchase and payment

Official Receiver's reply

The articles are so few that there is no necessity to multiply the number of books.

Entries are being periodically checked and initialled.

VI. Assets Register.

The registers do not contain evidence of having been scrutinised by the Official Receiver at any time. It is suggested that may be scrutinised by him periodically to ensure their proper maintenance.

This does not appear to be an audit matter. I may however state that the register is maintained under my directions.

VII. Dividend Register

Money Order acknowledgment.

Amounts due to the parties are sent by money order and the money order acknowledgments are filed in the Dividend register. The purpose of the remittance has not been specified in the acknowledgment portion of the money order receipt. It is desirable that the purpose of the remittance is also noted in the acknowledgment portion of the money order.

Noted. This will be done in future.

VIII. Contingent Cash book.

VIII. Contingent Cash book. O.R's reply.

Drawal of money in advance of requirements:-

It will be seen from the statement below that money is drawn from the Savings Ban Account to meet contingent charges in advance of actual requirements involving loss of interest.

	Opening balance at the begining of the month.	Amount drawn.	Amount actually spent.
May 1934.	91-6-9	210/-	57/-
June	244-6-9	nil	96/-
July	148-6-9	nil	56/-
Aug.	92-6-9	210/-	56/-
Sept.	246-6-9	nil	56/8
Octr.	189-14-9	nil	64/8
Novr.	128-15-9	nil	58/11
Decr.	70-4-9	210/-	90/2
March	29/2/9	210/-	86/2/6

It is stated that money is drawn once a quarter to meet contingent charges. As remittances are made every month, it is suggested that money sufficient to meet the requirements for a month may be drawn once a month.

Money will in future be drawn in accordance with requirements instead of Rs 210/- a quarter as is being done at present.

Sd/-

Examiner, O.A.D.
31-10-35.

O.R.

All communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

S. N. 3

No. F.737-36
R.O. I

414

FROM

The SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Accountant General,

M a d r a s.

Issued MP 21-12-36

Dated Bangalore, 21st Decr. *1936*

Report on the audit of the accounts of the Official Receiver, Civil and Military Station, Bangalore, for the year ending 31st March 1935.

SIR,

I am directed to refer to endorsement rrom this Residency dated the 29th August 1936 forwarding letter from the District Judge, Civil and Military Station, Bangalore, D.No.859/36, dated 28th February 1936, and to request that if there is no objection, the Hon'ble the Resident may kindly be furnished with your final remarks on the Official Receiver's replies to the points raised in the Audit report.

S.N.1 C.K.1.

I have the honour to be,
Sir,
Your most obedient servant,

18 XII 36

for SECRETARY TO THE RESIDENT.

No. O. A. 33(h)-17-1835/35-36. OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS.

Fort St. George, 7th January *1937.*

OFFICE OF THE RESIDENT IN MYSORE, BANGALORE.
9 JAN. 1937
Regd. No. 281
File. No. 737-36.

Enclosures, 1 sheet.

FROM

THE ACCOUNTANT-GENERAL,

MADRAS, (O. A. Section).

To

The Secretary to the Hon'ble the Resident in Mysore,

Bangalore.

SIR,

References:- Your letter No. F.737-36/R.O.I dated 21st December 1936 regarding the further remarks by this office on the reply to the Audit Report on the accounts of the Official Receiver, Bangalore, for the year ending 31st March 1935.

S.N 3
Cor p 14

I have the honour to enclose herewith a copy of this office letter No. O.A.33 (h)-17-1202/35-36 dated 23rd September 1936 to the District and Sessions Judge, Bangalore, on the subject indicated above.

I have the honour to be,
Sir,
Your obedient servant,

for Examiner, O.A.D.

Ds.

16

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS.

Fort St. George, 7th January *1937.*

No.

Enclosures.

Copy of letter No. O.A.33(h)-17-1202/35-36 dated 23rd September 1936 from the Accountant General, Madras, to the District and Sessions Judge, C & M Station, Bangalore.

Subject:- Further remarks on the replies to the Audit Report on the accounts of the Official Receiver Bangalore, for 1934-35 - Your letter No.859/36 dated 28-2-1936 communicated with endt. No.F.737-36/R.O.I dated 29-8-1936 of the Secretary to the Resident in Mysore.

--

1 Para II. Please state when the amount of Rs.208-8-4 being the audit fee was remitted into the treasury.

2 Para IV. The final orders of the Hon'ble the Resident on para 5 of your letter quoted above may kindly be communicated

3 Para VI. Your orders on the Official Receiver's reply are awaited.

4 The Asset Register is an important register prescribed in the Bangalore Insolvency Rules - vide Rule XXVI and the Official Receiver's signature or initials thereon in token of his periodical inspection seems necessary.

(True copy).

Manager,
Accountant General's Office.

S.N.5

17

DEPARTMENT.

BRANCH.

File No.

Serial No.

Draft Letter / Memorandum / Telegram

1st February ~~January~~ 1937.

No.F.737-36 Dated
R.O.I

Class for telegrams — Ordinary / Express / Urgent* / Priority / Clear Line† — *Only for Foreign Telegrams. †Not for Foreign Telegrams.

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2nd Reminder

3rd Reminder

Heading:

Case or Diary No.

If post copy of telegram required

Date of despatch of above

List of enclosures

(Code word for telegrams.)

* S.N.1
Cav.p.1.

The District Judge,
Civil and Military Station,
Bangalore.

Audit report on the accounts of the Official Receiver.

Sir,

With reference to your letter D.No. 859/36 dated the 28th February 1936, I am directed to say that the Official Receiver should be instructed to give effect to the suggestions contained in paragraphs III (a) and (b), V and VI of the audit report. The question of destruction of old voucher after a prescribed period, referred to in para III (c) is under examination, and the orders of the Hon'ble the Resident will be communicated to you in due course.

I am to add that the Hon'ble the Resident has carefully examined the question raised in paragraph 5 of your letter and has come to the conclusion that the existing arrangements

S. 5.
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should continue for the present.

I have etc.,

Secretary to the Resident.

AsRao
26.1.39.

S.N.6

119

Issued
6/8/1737.

Issue
AsRes
17/5

DEPARTMENT.

File No.

BRANCH.

Serial No.

Draft

✓Letter
~~Memorandum~~
~~Telegram~~

F.737-36
No.R.O.I. Dated 18th May 1937

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Heading :

Case or Diary No.

If post copy of telegram required

Date of despatch of above

List of enclosures

(Code word for telegrams.)

S.N.5.
c.p.17-18.

To

The District Judge,
Civil and Military Station,
Bangalore

Subject:- Audit report on the accounts of the Official Receiver for 1934-35.

Sir,

In continuation of letter from this Residency No.F.737-36/R.O.I., dated the 1st February 1937, I am directed to say that the Official Receiver should be instructed that the contingent vouchers may be destroyed after a period of three years.

I have etc.,

Secretary to the Resident.

mas
10.5.37

S. 5.
MGIPC—81—207 (GPS) DGF—(M-260)—27-4-32—10,000 Pads.